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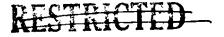
UNITED STATES

CENTRAL INTELLIGENCE GROUP Foreign Broadcast Information Branch

GROsvenor 3422 Ext. 322

31 Davies Street, W.1.

11 June 1947



A. A. Dudley, Esq., The Foreign Office, Information Policy Department, 17, Carlton House Terrace, S.W.1.

Dear Mr. Dudley:

I would like to confirm in some detail the proposals recently made on behalf of my organization by Ambassador Douglas to the Permanent Under Secretary of State for Foreign Affairs at a meeting last month. I have been informed by Ambassador Douglas that Sir Orme Sargent promised that His Majesty's Government would give sympathetic consideration to these proposals.

The Foreign Broadcast Information Branch, of which I am the Chief, is an integral department of the Central Intelligence Group of the United States Government. As you are aware, the Central Intelligence Group reports to the National Intelligence Authority which is responsible directly to the President. My Branch is charged with the interception of foreign radio broadcasts from all parts of the world and the compilation of the significant material contained therein for the Central Intelligence Group. In this connection, we have a working arrangement with the British Broadcasting Corporation under which, broadly, the BBC intercept broadcast signals mainly from European countries, and we intercept broadcast signals from the Far East, Middle East and Latin America.

The Central Intelligence Group desires to continue and extend this arrangement, and proposes that there should be a complete interchange of material between the BBC and ourselves. This is desired by my Government, and I understand it meets the requirements both of His Majesty's Government and of the BBC. There are, however, certain minor technical obstacles which must be overcome to implement this proposal. To enable the BBC, acting on behalf of His Majesty's Government, to obtain the full benefit of the material intercepted by the FBIB, it is necessary for approximately 20,000 words per day to be transmitted from Washington to the BBC Headquarters at Caversham. In present circumstances, we should imagine that His Majesty's Government are anxious to avoid dollar expenditure in passing this traffic through commercial channels.

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The FBIB is confronted with serious problems arising from the operation of its interception unit in Cairo -

- a) it is clear that current conditions in Egypt will not permit the continued long term operation of our headquarters in that country on a satisfactory basis;
- b) the present cost of transmitting material from Cairo to London for the benefit both of the BBC and FBIB is prohibitive and involves an annual expenditure of approximately \$180,000.

Both the BBC and FBIB regard the maintenance of an interception station in the Middle East as essential in view of the important additional coverage it provides of stations operating in Russia and in the Russian-controlled sphere of influence in Eastern Europe.

The FBIB, on behalf of the Central Intelligence Group, therefore asks approval of His Majesty's Government to the transfer of its interception station from Egypt to the island of Cyprus. This would involve the erection of a reception site at the expense of the United States Government and approval for the maintenance of approximately 70 employees of the Central Intelligence Group on the island. The Central Intelligence Group would be responsible for the maintenance and discipline of its employees, and I would emphasize that all our personnel have been vetted by American Security authorities, and while in Egypt, by the British Security authorities. We are fully prepared to maintain only personnel on the island who are approved both by the British and American Security authorities.

We also propose that if His Majesty's Government or the BBC will be responsible for the cost of the transmission of approximately 10,000 words per day from Cyprus to London of material which is of mutual value to the BBC and the FBIB, the FBIB will, at its own expense, transmit through American communication channels approximately 20,000 words per day from Washington to London material monitored elsewhere in the world of value to the BBC and His Majesty's Government. The FBIB will also provide such staff as is necessary to collate and transmit the material desired by the BBC in Washington in accordance with BBC directives.

This arrangement and our whole reciprocity agreement will thus not involve the BBC or His Majesty's Government in any dollar expenditure, and the only cost falling on either the BBC or His Majesty's Government, will be that of transmitting 10,000 words a day from Cyprus to London in the sterling area.

I hope agreement may be reached on these two points at an early date, as we are anxious to stabilize our peace-time arrangements before the beginning of the new fiscal year in Washington on July 1st. On the British side, this new arrangement will enable the BBC and His Majesty's Government to enjoy for the first time the benefit of all the material intercepted by our own stations and in particular of Russian-controlled

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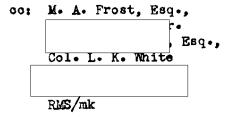
transmissions in the Far East. On this basis it is anticipated that our joint coverage will be complementary and world wide and be of mutual advantage both to His Majesty's Government and to the United States Government.

Sincerely yours,

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Chief, FBIB

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